



Minutes City Council's Arts and Community Services Committee February 21, 2007

Minutes of the City Council's Arts and Community Services Committee held on Wednesday, February 21, 2007, 3:00 p.m., at the Library Board Room, 3500 S. Rural Road, Tempe, Arizona.

Committee Members Present:

Councilmember Barb Carter, Chair
Councilmember Shana Ellis

City Staff Present:

Tom Canasi, Comm Svcs Mgr
Jan Hort, City Clerk
Teri Metros, Library Director
Sheri Partridge, Council Aide
Mark Richwine, Parks & Recreation Mgr
Judy Tapscott, Social Services Mgr
Sam Thompson, Deputy Mgr Parks
Jody Ulich, Deputy Comm Svcs Mgr

Guests Present:

Donna Davis, Tempe Artists Guild
Nancy Goren, Tempe Artists Guild
Howard Simpson, Tempe Artists Guild
Bonny Sloane, Tempe Artists Guild
Christine Walczuk, student

Councilmember Carter called the meeting to order at 3:09 p.m.

Agenda Item 2 –Committee Accomplishments Article 0101-03-05

Councilmember Carter summarized that an article highlighting committee accomplishments is scheduled for the June newsletter. The deadline is May 1 and it is important to cover all of the accomplishments in the article. She suggested including the possible opening for the Tempe Center for the Arts as the second weekend in September.

Agenda Item 1 –Golf Fees and Concessions

Mark Richwine summarized that \$80K per year is being lost from fund balances due to rising costs and flat play. In November, the Golf Committee made a recommendation to adjust green fees. It was specifically focused at Ken McDonald where there is an opportunity to increase fees and still stay below the marketplace. Another factor is the new 75th percentile payroll

policy, which will slightly increase expense. Also, many of the materials and maintenance items are coming in for bid with increased cost to City.

Mr. Richwine continued:

- Staff is proposing a modest increase to the winter rate of \$1 per nine holes which would still provide the lowest price product in municipal golf in the winter season.
- No increase is proposed for summer rates.
- Concerning resident rates, Phoenix has a program where anyone in Maricopa County can acquire a resident card from the City of Phoenix. The card requires a \$50 purchase. Mesa has flat rates, with no discounts for seniors.
- Tempe would still offer a junior package at \$15 for residents, \$25 for non-residents, under the age of 18, for a 30 day-period with unlimited rounds. That is a separate program. Rather than purchasing the pass but paying for individual rounds, the price is \$12 for a resident, \$16 for a non-resident. Staff is proposing increasing that to \$14 and \$18, and \$16 and \$20 on the weekends.
- Rolling Hills rate is \$23 for resident, and \$25 for non-resident.
- This year's use is close to that of the last 5-year average.

Councilmember Carter suggested adding the Rolling Hills information to the presentation for the public and for the Finance, Economy and Veterans Affairs (FEVA) Committee.

Mr. Richwine continued that this is the last fiscal year of debt service on irrigation improvements at Ken McDonald, but Financial Services staff is looking at the enterprise funds supporting the OPEB for retirees, which would be another cost to the Golf Fund. If rounds at Ken McDonald are constant, there could be a \$75K net gain. The economy has improved with a resurgence of winter visitors and, hopefully, that particular population will patronize Tempe golf courses.

Councilmember Ellis asked for clarification of the Phoenix study discussed last November.

Mr. Richwine responded that the RFP period closed last week. Where Tempe courses were seeing a combined loss of \$80K, Phoenix was losing about \$880K on their golf courses. Staff should have a better understanding of their direction by this summer. Phoenix currently has no concession relationships. There are two RFP's. One looks at total enterprise golf operations, and one looks at operation of the Papago Golf Course. Phoenix was hoping for an entity that would be willing to make a significant investment into improvements at Papago Golf Course.

Councilmember Ellis stated that residents have been asking whether there would be any improvements to the clubhouse at Ken McDonald.

Mr. Richwine responded that, per Council policy regarding enterprise funds, the course needs to pay for itself. A new clubhouse of approximately the same size would be about \$3M. An additional revenue stream would be required and at this point, it is not viable. He added that staff requests to take their recommendations to FEVA in March and then to Council, with implementation in November 2007.

Councilmember Carter asked if summer rates would remain the same.

Mr. Richwine responded that they would. There is a trend in the industry where last year was the first year in many years where there were more golf courses nationwide taken out of service

rather than added. Maricopa County has more courses than in any other county in the country. There has been no benefit from Pepperwood Golf Course closing.

Councilmember Carter asked that Rolling Hills be added to the presentation.

Mr. Richwine explained that Council asked for staff to prepare an analysis for each course separately and staff is working with Financial Services to prepare that report. It was previously complete through 2004, and they still need analyze 2005 and 2006.

Mr. Richwine continued that staff issued an RFP for food and beverage service at Rolling Hills Golf Course. One response was received and staff has been working with the respondent to finalize the best and final offer. Five goals were identified:

- Flexible option to make changes to current operations.
- Financial return.
- Require vendor to provide financial support.
- Vendor to secure liquor license.
- Vendor responsible for equipment.

Councilmember Carter asked for clarification on the equipment.

Mr. Richwine explained that if the vendor would determine the equipment not to be beneficial for their occupancy, it would be disposed of through a normal public process. About half of the existing inventory is owned by the existing concessionaire. This needs to be brought to closure so those two parties can negotiate any type of program they would prefer to dispose of those assets. The intent for the vendor is to have full ownership of the equipment and business. The City's existing assets were part of a public process and someone could acquire those by entering into an agreement with the City to provide food and beverage service. Most of it is original equipment.

Councilmember Ellis asked if the liquor license is transferable.

Mr. Richwine responded that it is not transferable. It would require a Series 12 license for food and beverage operation, and there is no cost for that license. The vendor would have to obtain their own license.

DIRECTION: Move forward as quickly as possible, with the earliest opportunity on the March 22nd Council meeting.

Agenda Item 3 – Future Agenda Items.

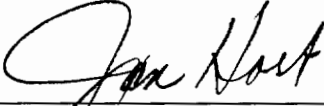
- Update on Tempe Artists Guild (March or April)
- Opening weekend of Tempe Center for the Arts; Conceptual ideas (April)
- Update on RFQ for architect selection for Museum
- Discussion of Cemetery Fees (April)

Meeting adjourned at 3:56 p.m.

Arts and Community Services Council Committee
Minutes – February 21, 2007

4

Prepared by: Connie Krosschell
Reviewed by: Jan Hort



Jan Hort
City Clerk